

**2003 Household Goods Carriers
Annual Report Analysis
With
Comparison of Financial and
Operational Statistics
For the Years 1999 through 2003**

**Research & Analysis Section
Transportation Division**

Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701
www.icc.illinois.gov



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INTRODUCTION

Illinois Commercial Transportation Law authorizes the Illinois Commerce Commission's Transportation Division to regulate the operating authorities, rates, and business practices of intrastate household goods moving companies. As required by Commission regulation, all licensed Illinois household goods carriers must submit to the Commission an annual report that includes financial and operational information. Although annual reports are not audited and the information in them is accepted in good faith, the reports are reviewed to assure that they are complete and that the information in them is financially reasonable and operationally feasible.

Annual reports filed by licensed motor carriers are public documents and are available upon request. Analysis of annual report information from prior years is available on the Commission web site <http://www.icc.illinois.gov>.

Carriers that fail to file a properly completed annual report by the May 15th statutory filing date are given a 30-day written notice prior to revocation of their household goods authority. Carriers may request a one-time 60-day extension in time to file the report.

The Annual Report Form follows this analysis. Part 1 requests information for all transportation activities including household goods moves, storage, general freight and other transportation operations. Part 2 requests information about Illinois intrastate household goods activity. The mover reports revenue derived from all intrastate household goods shipments and the number of moves made within Illinois, both local moves using an hourly rate and moves charged by weight and distance. The mover also indicates if storage facilities are provided. Part 3 requests the names of each stockholder, partner or owner with telephone numbers and percentage of ownership, as well as the company's federal employer identification number. If a change in ownership of the company has occurred during the year, the mover is required to check the appropriate box. Finally, the annual report requests that the individual filing the report provide their name, title, telephone number, fax-number, email address and signature, indicating that the information submitted is accurate.

The following analysis first describes the location of the licensed moving companies and then summarizes the data submitted for 2003, beginning with Part 1 of the Annual Report and proceeding to Part 2. Included within the discussion of the information for each part of the Annual Report is a comparison of 2003 information to prior years' data.

LOCATION OF CARRIERS

Of the 368 licensed movers, 304 are “active” carriers, that is, they are actively engaged in Illinois intrastate household goods operations, from point to point within Illinois. Most of these active intrastate moving companies are located in Illinois, but 24 companies are headquartered outside of Illinois. Cook County has the largest number of active movers with 144 companies, reflecting a 9 percent increase from 132 carriers in 2002. Nearly 64 percent, 193 of the 304, active movers are headquartered in four counties of northeastern Illinois: Cook, DuPage, Kane and Lake. The remaining 36 percent of active movers are spread throughout 35 other counties of Illinois. Table 1 captures the number of active intrastate movers in each county.

TABLE 1: Number of Active Movers by County			
Adams	1	Madison	2
Bureau	1	Marion	1
Champaign	6	Massac	1
Cook	144	McDonough	1
Dekalb	3	McHenry	6
DuPage	27	Morgan	1
Edgar	1	McLean	3
Effingham	1	Peoria	7
Fulton	2	Perry	1
Grundy	1	Rock Island	4
Jackson	2	Sangamon	6
Jefferson	1	St. Clair	4
Kane	11	Stephenson	1
Kankakee	2	Tazewell	1
Kendall	2	Whiteside	1
Knox	2	Will	8
Lake	11	Williamson	1
LaSalle	2	Winnebago	5
Lee	1	Outside Illinois	24
Macon	3	Total	304
Macoupin	2	Active Movers	

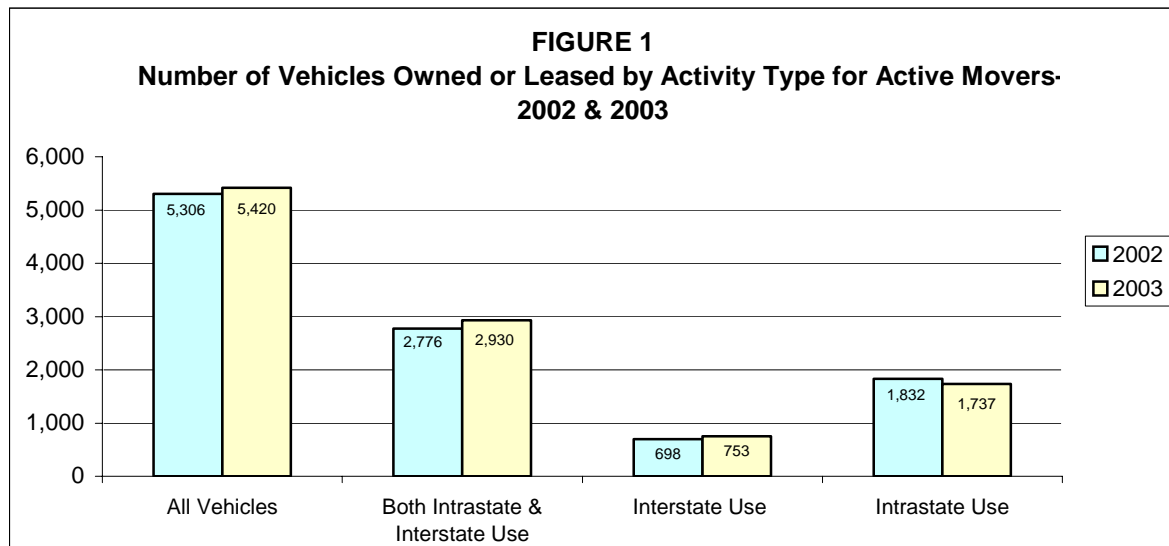
The next section of this analysis discusses operational and financial information reported in Part 1 of the 2003 Annual Reports for 368 licensed household goods carriers.

PART I - ALL FOR-HIRE TRUCKING OPERATIONS

In Part 1 there is no distinction between interstate or intrastate household goods, general freight hauling or other for-hire transportation operations conducted by the carrier. This part of the annual report requests information on the motor carrier's overall operations with questions regarding the number of trucks and their use in intrastate and/or interstate activity, total miles traveled, number of employees and total company revenue and expense.

Out of 368 carriers licensed to transport household goods, 24 reported no for-hire transportation activity of any kind. The remaining 344 companies employed 10,555 people, generated \$1.4 billion in total for-hire transportation revenue and logged 442 million miles for the year or 66 thousand miles per truck.

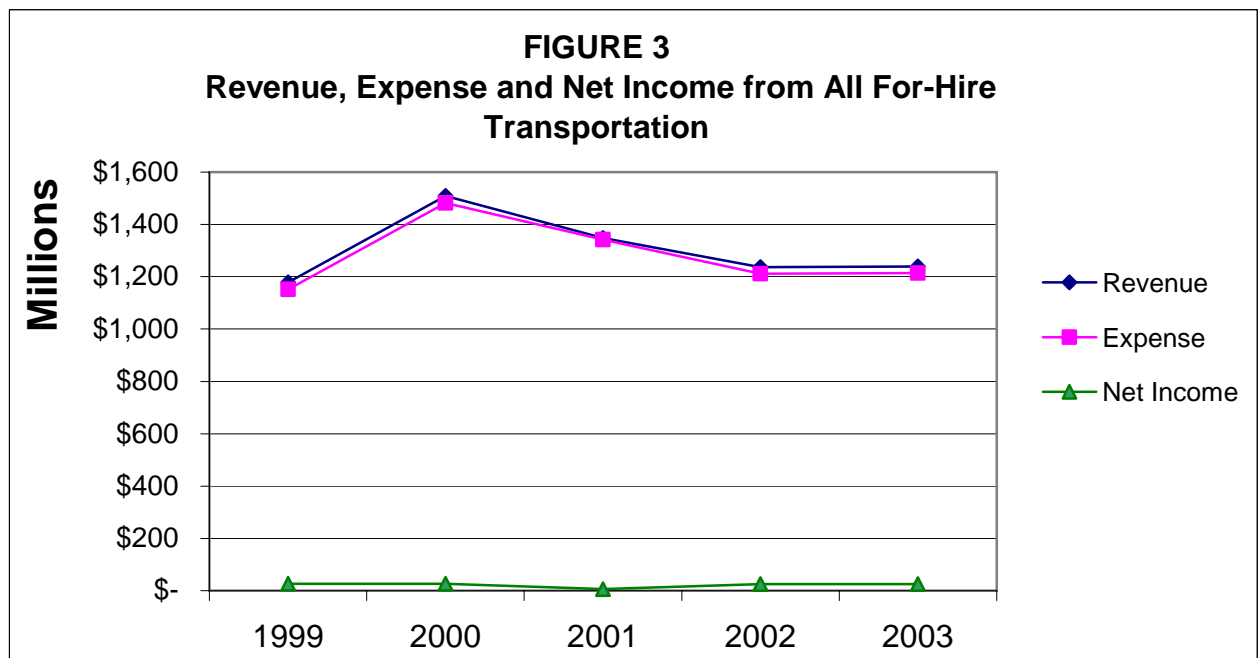
Figure 1 shows that the total number of vehicles used by active carriers increased two percent in 2003 with a 5.5 percent increase in the number of trucks that are used for both intrastate and interstate activity, a 5.2 percent decrease in the number of trucks used only for intrastate activity, but a 7.9 percent increase in the number of trucks used only for interstate moves.



Total company revenue, expense and net income for all operations, including but not limited to intrastate household goods moves, for active movers from 1999 through 2003 is shown in Table 2. Dividing total operating expense by total operating revenue shows the operating ratio for the industry. The higher the ratio, expressed as a percent, the smaller the operating profit from operations. The ratios, shown in Table 2, range from 97.8 percent in 1999 to 99.6 percent in 2001. In 2003, revenue and expense increased proportionately, so the industry operating ratio remained steady, 98.0 percent in 2003 and 97.9 percent in 2002.

Table 2: Revenue, Expense & Net Income From Operations For Intrastate Movers					
1999-2000-2001-2002-2003					
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenue	\$ 1,178,281,328	\$ 1,508,397,841	\$ 1,348,151,621	\$ 1,237,372,983	\$ 1,239,417,447
Expense	\$ 1,151,924,374	\$ 1,482,160,235	\$ 1,342,220,607	\$ 1,211,715,477	\$ 1,214,195,883
Net Income	\$ 26,356,954	\$ 26,237,606	\$ 5,931,014	\$ 25,657,506	\$ 25,221,564
Operating Ratio	97.8%	98.3%	99.6%	97.9%	98.0%

Figure 3 graphs the average revenue, expense and net income for total company operations showing the pattern of growth and decline for active movers.

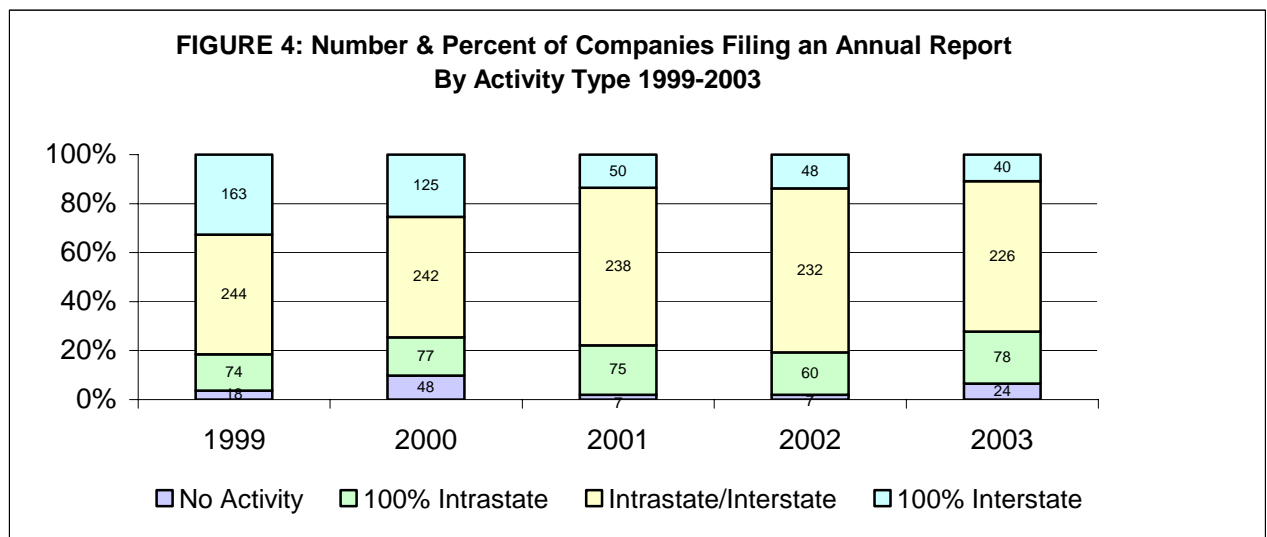


The next section of this analysis, after a comparison of interstate and intrastate business activity for all movers, discusses Illinois intrastate household goods activity as reported in Part 2 of the 2003 Annual Reports for 304 licensed household goods carriers active in intrastate moves from point to point within Illinois.

PART 2 - ILLINOIS INTRASTATE HOUSEHOLD GOODS ACTIVITY

Interstate vs. Intrastate Business Activity

Licensed movers actively provide different levels of intrastate moving service. Figure 4 shows that in 2003, 226 of the licensed carriers, or 61 percent, report both interstate and intrastate activity and 78 carriers, or 21 percent, are engaged exclusively in intrastate business activity. Together, 304 companies, or 82 percent of the licensed carriers provided some type of intrastate moving services. The total of 40 companies, or 11 percent, who engage only in interstate moving activity and 24 household goods carriers, or seven percent, who report no moving activity for the year 2003 combined makes 64 carriers, or 18 percent, of the licensed carriers did not provide intrastate services in 2003.



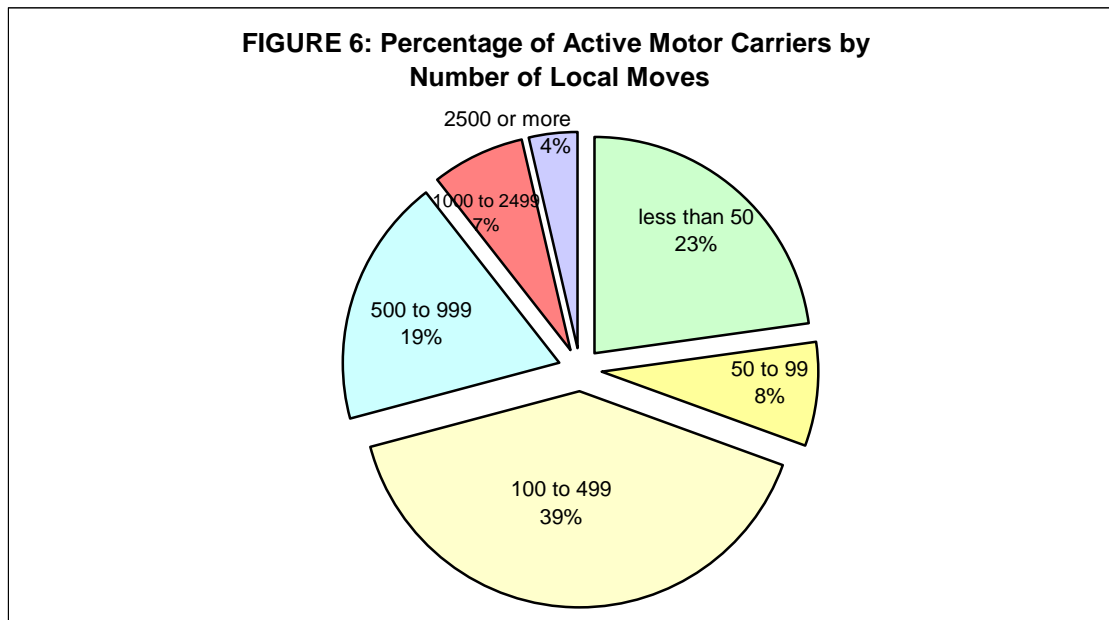
Looking across years, the number of companies providing only interstate moving services decreases in both number of companies and percent of the total industry they represent. At the same time, the 78 companies provide only intrastate moving services returned to levels reported before 2002.

Illinois Intrastate Household Goods Revenue and Shipments:

In 2003, the 304 active carriers report that 90 percent of all intrastate shipments (144,513 of 160,079) were local moves of less than 35 miles, which are hourly rated. Shipments greater than 35 miles, when not wholly within Cook County, were required to be rated on a weight distance basis; and, in 2003, there

were 15,566 shipments, or approximately ten percent of the total intrastate moves were weight distance shipments..

Figure 6 reflects the percentage of companies by number of shipments made for the year 2003. The majority of active carriers, 70 percent, provided fewer than 500 intrastate shipments of which 57 carriers or 23 percent reported less than 50 intrastate shipments for the year. Only 11 percent or 32 carriers reported making more than 1,000 intrastate shipments last year of which 11 carriers reported 2,500 or more shipments. The distribution of companies' shipments parallels the activity reported in the past.



With over 160,000 for-hire household goods shipments within Illinois in 2003 generating approximately \$108 million in annual revenue, the average consumer cost was \$676 per move. Figure 7 shows these costs (average revenue per shipment for moving companies) declined in 2003 almost to 1999 levels. The average in 2002 was based on higher revenue for fewer moves (over \$109 million earned for 144,557 moves).

The number of moves reported by licensed carriers on their annual reports is posted on the Commission web site. In 2003 the median (middle) revenue per shipment of \$693 is higher than the average revenue per shipment of \$676, so there are more companies below the average revenue per move than are above the average revenue per move. For this to happen companies are either reporting less revenue (with a fixed number of moves) or more moves (with a fixed amount of revenue).

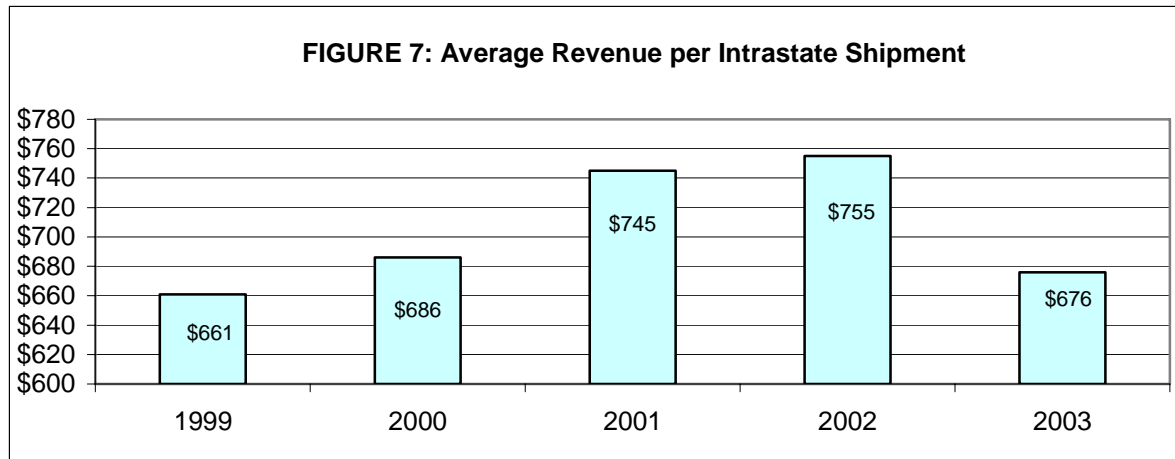


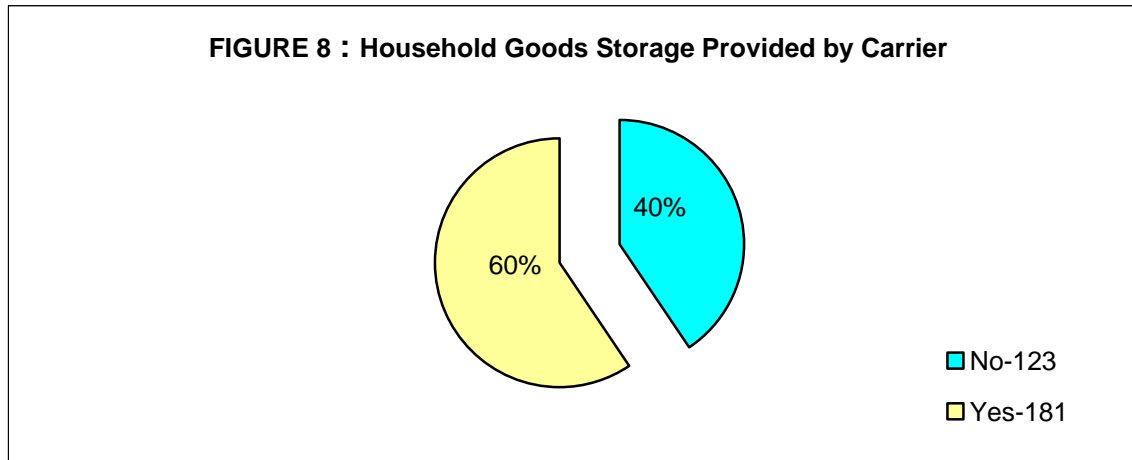
Table 3 shows the total number of intrastate (local and weight distance (WT-DIST)) shipments as well as the intrastate revenue generated by the top five percent of the carriers based on number of shipments. The last column indicates ranking based on intrastate revenue. The top five percent, or 15 carriers, account for 35 percent of all intrastate shipments made during calendar year 2003 and 28 percent of all intrastate revenue generated for 2003.

Table 3: Top 5 % Active Moving Companies Based on Total Shipments						
Rank	2003	INTRASTATE SHIPMENTS			INTRASTATE REVENUE	
	Company	Total	Local	WT-DIST	Dollars	Rank
1	MIDWAY MOVING & STORAGE, INC.	8055	8026	29	\$ 3,568,652	3
2	FEDERAL/WHALEN MOVING & STORAGE LLC	7450	4470	2980	\$ 1,483,830	17
3	FEDERAL/JOHNSON MOVING & STORAGE LLC	6079	3648	2431	\$ 1,132,541	24
4	GOLAN'S MOVING AND STORAGE, INC.	4923	4923	0	\$ 4,164,724	1
5	BREDA MOVING COMPANY, INC.	3395	3350	45	\$ 2,347,500	5
6	JOEY'S MOVERS & TRUCKING, INC.	3250	2600	650	\$ 1,150,000	23
7	REEBIE STORAGE & MOVING COMPANY, INC.	3149	3134	15	\$ 3,650,564	2
8	SAMSON CHICAGOLAND MOVERS, INC.	3132	2733	399	\$ 1,710,856	9
9	NORTH SHORE MOVERS, INC.	3125	3124	1	\$ 2,348,191	4
10	PUBLIC STORAGE PICKUP & DELIVERY, LP	3002	3002	0	\$ 645,000	48
11	FEDERAL WAREHOUSE COMPANY	2824	1694	1130	\$ 1,327,706	19
12	EZ MOVERS, INC.	2591	2591	0	\$ 1,673,151	10
13	AFFORDABLE MOVING CO., INC.	2575	2075	500	\$ 2,082,205	6
14	ALL MY SONS MOVING & STORAGE, INC.	2153	2103	50	\$ 1,624,924	12
15	SORAGHAN MOVING & STORAGE, INC.	1891	1795	96	\$ 1,519,006	16

Storage:

Carriers that provide household goods storage for their customers are licensed by the Illinois Department of Agriculture, Bureau of Warehousing. In Part 2 of the annual report carriers indicate to the Commission if they provide storage for household goods. Figure 8 captures the carriers' responses, showing that 40

percent do not provide storage and 60 percent do offer storage for household goods.



SUMMARY

For analysis purpose, an active carrier is defined as having generated at least one dollar in revenue for household goods shipments wholly within Illinois. For the calendar year 2003, 368 household goods carriers filed an annual report. Sixty-four reported no intrastate household goods activity, resulting in the identification of 304 companies as active intrastate household goods carriers.

- Approximately 64 percent of the 292 active carriers are headquartered in four counties in northeastern Illinois: Cook, DuPage, Kane and Lake. Except for 24 carriers or seven percent that are headquartered outside of Illinois, the remaining 28 percent of the active intrastate movers are located throughout the state within 35 counties.
- Moving companies reported employing over 10,500 people, generating \$1.4 billion in total for-hire transportation revenue and logging 442 million miles for the year, or 66 thousand miles per truck.
- The total number of vehicles used by active carriers increased two percent from 5,306 in 2002 to 5,402 in 2003, but there was a 7.9 percent decrease in trucks used only for interstate moves from 698 in 2002 to 641 in 2003.
- Operating ratios averaging 98.0 in 2003 are comparable to the average operating ratio of 97.9 percent in 2002.

- Licensed movers provide different levels of intrastate moving service. The majority of carriers were involved in interstate moving and not solely dependent on moving household goods within Illinois as a primary source of revenue. 62 percent or 226 of the licensed carriers report both interstate and intrastate activity while 21 percent or 78 carriers are engaged exclusively in intrastate business activity. Together, 304 companies, or 83 percent of the licensed carriers provided some type of intrastate moving services.
- The vast majority of active carriers are small companies. During the year 2003, the majority of active carriers, 70 percent, provided fewer than 500 intrastate shipments of which 69 carriers or 23 percent reported less than 50 intrastate shipments for the year.
- The number of active intrastate movers has not changed significantly over the past 5 years. However, the number of active carriers earning 100 percent of their revenue from Illinois intrastate shipments decreased from 75 in 2001 to 60 in 2002, but rebounded to 78 carriers in 2003.
- With over 160,000 for-hire household goods shipments within Illinois last year generating approximately \$108 million in annual revenue, the average consumer cost was \$676 per move.
- Using the total number of intrastate shipments as a ranking, the top 5 percent of active carriers accounted for approximately 35 percent of all intrastate shipments and 28 percent of all intrastate revenue generated during the year 2003.